

A new report released this week by the Treasury Department shows that small businesses are not the only ones hurt by credit card industry practices, Rep. Peter Welch (D-Vt.) announced Wednesday. According to the report, the federal government spends \$116 million each year on credit and debit card swipe fees.

Cracking down on the existing swipe fee system, as Welch has proposed, could save taxpayers \$36 to \$39 million, the report concludes.

"Small business owners have long known that the credit card company monopoly kills jobs with the excessive fees it charges for every credit and debit card swipe," Welch said. "This report makes clear that taxpayers are also paying the price."

The report was released ahead of a Wednesday hearing of the Senate Appropriations Subcommittee on Financial Services, which will feature Treasury Department and Government Accountability Office representatives who have studied the issue.

As one of the country's largest public sector merchants, the federal government supports 4,350 locations that process credit and debit cards.

According to the report, "In Fiscal Year 2009, Federal agencies accepted over 80 million credit and debit card transactions totaling \$8.6 billion. Interchange and other fees associated with these transactions cost the Federal government over \$116 million, making credit and debit cards Treasury's most expensive collection mechanism."

The report concludes that if the Treasury could negotiate a flat fee per transaction and institute a maximum transaction amount, it could save taxpayers \$36 to \$39 million. The report does not include the vast savings state and local governments could realize with lower swipe fees.

Welch is the author of two bills that would crack down on swipe fees: the Credit Card Interchange Fees Act (H.R. 2382) and the Electronic Check Parity Act (H.R. 5199). He is the

leader of House efforts to retain an amendment to Wall Street Reform legislation authored by Sen. Dick Durbin, which would empower small businesses by addressing unfair swipe fees.

[Click here](#) to read the report.

Watch Rep. Welch call on House leadership to support cracking down on credit card swipe fees: